

Action Item

Fiscal Policy and Analysis Committee

Approval of the Minutes of the July 22, 2002, Meeting

MINUTES

Fiscal Policy and Analysis Committee

Meeting of July 22, 2002

Committee members present Olivia K. Singh, *Chair*
Susan Hammer, *Vice Chair*
Lance Izumi
Odessa P. Johnson
Anthony M. Vitti
Alan S. Arkatov, *ex officio*
Carol Chandler, *ex officio*

Other Commissioners present
Evonne Seron Schulze
Rachel E. Shetka
Howard Welinsky

Committee members absent Irwin S. Field
Kyo "Paul" Jhin

Call to order Committee Chair Singh called the Fiscal Policy and Analysis Committee to order at 9:15 a.m.

Approval of the minutes Chair Singh asked for approval of the minutes from the Committee's June 3, 2002 meeting. Commissioner Izumi moved approval of the minutes, seconded by Commissioner Johnson. The Committee unanimously approved the minutes.

Executive Compensation in California Public Higher Education, 2001-02 Chair Singh called on staff member Cheryl Hickey to provide an update on the report *Executive Compensation in California Public Higher Education, 2001-02*.

Ms. Hickey noted that the report was presented to the Committee for action. She stated that several changes were made to the report since the version they reviewed in June. She noted that an executive summary had been added, and that all data regarding compensation for community college executives had been received and presented in the revised report.

Ms. Hickey indicated that the report was revised to address concerns raised by the California State University regarding how their figures were displayed and characterized. She completed her report by providing the Committee with selected information regarding the compensation paid to executives employed by California's independent colleges and universities.

Commission Chair Arkatov asked what caused the lag between California institutions and their comparators. Ms. Hickey responded that several of the comparison institu-

tions provided larger increases to their executives than those provided to executives at California colleges and universities, so the lag has broadened.

Commissioner Welinsky stated that there appeared to be a huge difference between the salaries paid at private institutions with those at public institutions. He stated that the University of California and California State University seem to do fairly well when compared to other public institutions, but not when compared to selected private institutions. He stated that it is difficult for public institutions to compete with their private counterparts.

Commission Chair Arkatov noted that several of the private institutions listed in the report have a national presence and are for profit. He noted that these institutions might not be appropriate comparators.

Ms. Hickey indicated that the University of Texas, a public institution, and a UC comparator, is paying its Chancellor \$795,000 per year. However, she stipulated that only 10% of that compensation package was state supported, with the remainder coming from private sources.

Commissioner Chandler asked about how perquisites offered to California higher education executives compare to those offered by other colleges and universities.

Ms. Hickey responded that the data on perquisites was incomplete and not reliable. She noted that the University of California and California State University provided limited data.

Commissioner Johnson noted that UC's comparison institutions were hesitant to provide perquisite data, and that perquisites offered to executives often are not comparable. She identified cost of housing as one factor when determining perquisites, such as housing allowances.

Chair Singh indicated that housing costs is also a factor in recruiting faculty.

Commission Chair Arkatov asked Commissioner Johnson if the Regents had difficulty recruiting a new Chancellor for the University of California, Riverside campus.

Commissioner Johnson responded that the Regents were fortunate to employ a premiere executive with the salary and perquisites that the University was able to offer.

There being no further discussion, Chair Singh asked for approval of the report for action by the Commission. Commissioner Izumi so moved, seconded by Commissioner Johnson. The Committee voted unanimously to approve the report.

Adjournment	Having no further business, Chair Singh adjourned the Fiscal Policy and Analysis Committee at 9:40 a.m.
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